

IV—Introduction—Year-end Closing—Prepare Governmental Fund Reports

Chapter IV provides departments with step-by-step instructions on preparing the year-end financial reports for Governmental Cost Funds. There are two options for preparing the year-end financial statements for Governmental Cost Funds; departments can use either a "manual" or an "automated" process. Chapter IV-A describes the manual year-end statement process, which includes instructions on preparing Reports 1, 2, 3, 4, 5, and 15. Chapter IV-B provides the requirements and instructions for the automated year-end process, which includes electronically transmitting year-end reporting information to the State Controller's Office. To illustrate the two options, the report exhibits in Chapters IV-A and IV-B contain identical financial data for the same sample department.

A comparison of the manual and automated year-end processes is shown in Exhibit IV-1. A comparison of the required financial year-end statements is shown in Exhibit IV-2.

EXHIBIT IV-1
COMPARISON BETWEEN MANUAL AND AUTOMATED PROCESSES

STEP #	MANUAL PROCESS	AUTOMATED PROCESS
1	Post all accruals and special adjustments in FM 13.	Post all accruals and special adjustments in FM 13.
2	Prepare all final FM 13 reconciliations (SCO, Bank, ORF, GL for non-shared funds, and GL subsidiaries to Document File subsidiaries). Monitor control account (C) status for "overspending" using the reconciliations and a DB2 Report	Prepare all final FM 13 reconciliations (SCO, Bank, ORF, GL for non-shared funds, and GL subsidiaries to Document File subsidiaries). Monitor control account (C) status for "overspending" using the reconciliations and a DB2 Report.
3	Request the CALSTARS reports needed for year-end financial statements (G02, Q26, B06, G05 Reports).	Not applicable at this time.
4	Not applicable.	Request the DB3 Report (at Blank report period option) and the G02 Report.
5	Not applicable.	Verify that the accounts and amount totals on the DB3 (GL Account Verification page) and the G02 Reports agree with the final FM 13 reconciliations.
6	Not applicable.	Resolve edit messages on the DB3 Report. Identify automated transaction codes (TC 751-TC 760) that need to be posted for Prepayments to ARF (Subsidiary 0602), adjustments to SCO, pending BRs, reimbursable encumbrances, and special reporting on fund level accruals for GL 3400, GL 3500 and GL 3730.
7	Not applicable.	Post automated year-end transaction codes in FM13. These entries only affect the DB3 Report.
8	Not applicable.	Request final DB3 Report at N report period option to identify any records that are not transmittable. Request final DB3 Report at Blank report period option.

EXHIBIT IV-1 (Continued)
COMPARISON BETWEEN MANUAL AND AUTOMATED PROCESSES

STEP #	MANUAL PROCESS	AUTOMATED PROCESS
9	Not applicable at this time.	Request the remaining CALSTARS reports needed for year-end financial statements (G02, Q26, B06, G05 Reports). Complete the Q26 Report (Report No. 4).
10	Prepare Reports No. 1, 2, 3, 5, and 15 and complete the Q26 Report (Report 4). (Refer to Chapter IV-A).	Not applicable. ^{1/}
11	Prepare Reports No. 14, 22, the backup documentation for Report No. 3, and the certification letter. (Refer to Chapter IV-A).	Prepare Reports No. 14, 22, the backup for adjustments to SCO, and the certification letter. Annotate the backup documentation to reference the Report No. 3 adjustments to SCO displayed on the CSYDB3-1 Report.
12	Review year-end financial statements and sign the year-end certification letter.	Review year-end financial statements and sign the year-end certification letter.
13	Not applicable.	Transmit data to SCO through Command F.2
14	Not applicable.	Receive CALSTARS CSYDB3-x system generated reports.
15	Assemble year-end package (Reports No. 1, 2, 3, 4, 5, 7, 8, 14, 15, 18, 19 and 22); make copies. ^{3/}	Assemble year-end package (including Reports No. 4, 6, 7, 8, 14, 18, 19, and 22); make copies. ^{1/, 2/, 3/}
16	Not applicable.	Add CSYDB3-1 Report to year-end package.
17	Submit year-end package to SCO by deadline.	Submit year-end package to SCO by deadline.

^{1/} First year participants must also include Reports No. 1, 3, and 5. Reports No. 2 and 15 must be retained with the year-end statements.

^{2/} All automated year-end participants must submit Report No. 6 to the SCO.

^{3/} Submit only one copy of Reports No. 14 and 19 per department.

EXHIBIT IV-2
COMPARISON OF REQUIRED FINANCIAL YEAR-END STATEMENTS FOR GOVERNMENTAL COST FUNDS

REQUIRED MANUAL REPORTS	REQUIRED AUTOMATED REPORTS – FIRST YEAR PARTICIPANTS		REQUIRED AUTOMATED REPORTS – ONGOING PARTICIPANTS	
Report No. 1 – Report of Accruals to Controller's Accounts	Report No. 1 – Report of Accruals to Controller's Accounts		Not required	
Report No. 2 – Accrual Worksheet	Report No. 2 – Must be retained with year-end statements		Not required	
Report No. 3 – Adjustments to Controller's Accounts	Report No. 3 – Adjustments to Controller's Accounts		Not required	
Report No. 3 – Supporting documentation	Report No. 3 – Supporting documentation		Report No. 3 – Supporting documentation (annotated to CSYDB3-1)	
Report No. 4 – Final Statement of Revenue	Report No. 4 – Final Statement of Revenue		Report No. 4 – Final Statement of Revenue	
Report No. 5 – Final Reconciliation of Controller's Accounts with Final Budget Report	Report No. 5 – Final Reconciliation of Controller's Accounts with Final Budget Report		Not required	
Report No. 6 – Should be retained with year-end statements	Report No. 6 – Final Budget Report		Report No. 6 – Final Budget Report	
Report No. 7 – Pre-Closing Trial Balance	Report No. 7 – Pre-Closing Trial Balance		Report No. 7 – Pre-Closing Trial Balance	
Report No. 8 – Post-Closing Trial Balance (with subsidiaries)	Report No. 8 – Post-Closing Trial Balance		Report No. 8 – Post-Closing Trial Balance	
Report No. 14 – Report of Accounts Outside the Treasury System	Report No. 14 – Report of Accounts Outside the Treasury System	1	Report No. 14 – Report of Accounts Outside the Treasury System	1
Report No. 15 – Reconciliation of Agency Accounts with Transaction Per State Controller	Report No. 15 – Must be retained with year-end statements		Not required	
Report No. 18 – Statement of Changes in General Fixed Assets	Report No. 18 – Statement of Changes in General Fixed Assets		Report No. 18 – Statement of Changes in General Fixed Assets	
Report No. 19 – Statement of General Fixed Assets	Report No. 19 – Statement of General Fixed Assets	1	Report No. 19 – Statement of General Fixed Assets	1
Report No. 22 – Statement of Contingent Liabilities	Report No. 22 – Statement of Contingent Liabilities	2	Report No. 22 – Statement of Contingent Liabilities	2
Not required	CALSTARS CSYDB3-1 Report		CALSTARS CSYDB3-1 Report	

1 Submit only 1 statement per department (not per fund).

2 Submit 1 statement per fund.